

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT
PARCEL SELECT CONTRACT 7

Docket No. MC2013-59

COMPETITIVE PRODUCT PRICES
PARCEL SELECT CONTRACT 7 (MC2013-59)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2013-80

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**
(September 9, 2013)

The United States Postal Service hereby provides its response to Chairman's Information Request No. 1, issued September 4, 2013. A response was due no later than September 9, 2013. Each question is reprinted verbatim in the attached, and is followed by the Postal Service's response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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September 9, 2013

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1. "Contract year" is defined as the one-year period from July 1 through June 30. Price changes in subsequent contract years "will take effect on July 1st of each Contract Year." *Id.* at 4, Paragraph 1.F.4. Paragraph 1.E.3., however, states that the listed prices apply to the Customer's qualifying DDU pieces from the contract's effective date until July 31, 2014. *Id.* at 2, Paragraph 1.E.3. Please reconcile Paragraphs 1.E.3. and 1.F.4. and, if appropriate, file an amendment to the contract.

RESPONSE:

The date in Paragraph 1.E.3 should be June 30, 2014. The Postal Service will file an amendment to correct this error.

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2. Paragraph I.B. of the contract outlines the parameters governing contract packages. However, in the supporting workpapers, the revenue per piece figure incorporates data that are inconsistent with redacted portion of Paragraph I.B. See PS7_DDU_Analysis_Public.xls, tab: PartnerProfile, cell D6.
- a. Please explain why data for packages that do not meet contract parameters are included in the revenue per-piece calculation.
 - b. Please provide revised workpapers, if appropriate, that exclude data from packages that do not meet contract parameters from the revenue per-piece calculation.

RESPONSE:

- a. Only the "DDU pieces" defined in Paragraph I.B are eligible for contract prices.

However, the customer's other Parcel Select pieces that are shipped at published prices also result in additional contribution to the Postal Service. Therefore, those pieces have been included in the Postal Service's financial analysis. This approach is similar to the PRC-approved methodology that the Postal Service followed in other Parcel Select DDU contract dockets.

- b. N/A